

PLACE OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Wednesday, 13 November 2024 commencing at 10.00 am and finishing at 12.51 pm

Present:

Voting Members: Councillor Liam Walker - in the Chair

Councillor Robin Bennett
Councillor Trish Elphinstone
Councillor Charlie Hicks
Councillor Susanna Pressel
Councillor Nigel Simpson
Councillor Bethia Thomas

Other Members in Attendance: Councillor Liz Leffman, Leader of the Council
Councillor Pete Sudbury, Deputy Leader of the Council with Responsibility for Climate Change, Environment and Future Generations
Cllr Judy Roberts, Cabinet Member for Infrastructure and Development Strategy

Officers: Paul Fermer, Director of Environment and Highways
Robin Rogers, Director of Economy and Place
Chloe Edwards, Local Nature Recovery Strategy Project Manager
Beccy Micklem, Team Leader Landscape and Nature Recovery
Nicholas Perrins, Head of Strategic Planning
Tom Hudson, Scrutiny Manager

The Council considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

38/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Cllr Enright, substituted by Cllr Elphinstone, and Cllr Bloomfield.

39/24 DECLARATION OF INTERESTS

(Agenda No. 2)

There were none.

40/24 MINUTES

(Agenda No. 3)

The minutes of the meeting on 25 September 2024 were **AGREED** as a true and accurate record.

41/24 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

42/24 LOCAL NATURE RECOVERY STRATEGY

(Agenda No. 5)

Cllr Pete Sudbury, Deputy Leader of the Council with Responsibility for Climate Change, Environment and Future Generations, had been invited to present a report on the Local Nature Recovery Strategy (the LNRS). He was accompanied by Paul Fermer, Director of Environment and Highways, Chloe Edwards, Local Nature Recovery Strategy Project Manager, and Beccy Micklem, Team Leader Landscape and Nature Recovery. Cllr Liz Leffman, Leader of the Council, was also present for the start and end of this agenda item.

Following brief introduction from the Deputy Leader, the LNRS Project Manager explained and summarised the LNRS report.

Local authorities were required to develop and adopt an LNRS was mandated for to set local biodiversity priorities and map habitat improvements. This involved collaboration with groups such as the Local Nature Partnership. The target was for the strategy to be published by July 2025, with particular focus on enhancing habitats for biodiversity. It would be reviewed and updated every three to ten years as required by the government.

Members raised a number of topics in discussion including:.

The discussion covered the budget for the LNRS, noting that initial funding was provided but follow-up funding was uncertain. The project aimed to integrate local natural capital mapping by the University of Oxford, identifying and quantifying ecosystem benefits for decision-making. Emphasis was placed on making LNRS projects investable by converting qualitative benefits into quantitative terms to attract funding. The importance of linking with climate finance work led by the Chief Executive was emphasised. It was suggested that the Council should not rely solely on Department for Environment, Food and Rural Affairs (DEFRA) but that it should also leverage local initiatives like the 100 Together program for funding and support.

Members explored the LNRS' influence on the Minerals and Waste Plan despite the National Planning Policy Framework's (NPPF) strict mineral provision requirements. There was interest in aligning LNRS priorities with decisions on mineral extraction sites. The LNRS team frequently consults with the minerals planning policy team to ensure alignment. They worked with the Environmental Records Centre to assess

biodiversity net gain through mineral restoration, recognising it as a crucial nature recovery opportunity.

The LNRS team emphasised the integrating the LNRS with the Local Transport Connectivity Plan to mitigate road traffic's impact on wildlife, advocating for nature-positive infrastructure like wildlife corridors. Officers stressed alignment with the Oxford Infrastructure Strategy to support biodiversity and habitat connectivity. Collaborating with National Highways and Network Rail, they identified key areas in Oxfordshire to improve habitat connectivity. Partnering with the University of Oxford, the team used statistical analysis and mapping tools to prioritise impactful interventions for biodiversity.

Members expressed concern about whether agricultural landowners were sufficiently involved in the development of the strategy, ensuring their collaboration and realising benefits from increased biodiversity. The LNRS team had engaged farmers and landowners through meetings, informing them about funding opportunities for nature-positive actions, such as capital grants for rainwater harvesting and sustainable farming incentives. A 15% uplift in biodiversity net gain units, would increase financial returns significantly, with unit prices rising from £20,000 to £23,000. This was in addition to the long-term benefits on improved biodiversity, like better soil health, water quality, and resilience to climate change, aiding farming sustainability.

Concerns were raised about the potential Abingdon Reservoir's impact on water extraction and its damage to biodiversity in water habitats, noting that Thames Water already extracts too much. Rather than building the reservoir, recycling water in London, and other large modern cities, and fixing leaks were suggested as more sustainable solutions.

Members asked about the biodiversity impact of the Botley solar farm project. The LNRS team had discussed this project and was aware of the ecological surveys. The project aimed for significant biodiversity net gain, especially along the Evenlode corridor, aligning with some LNRS priorities. However, concerns remained about the long-term sustainability of these benefits, as the solar farm's operation period exceeded the typical biodiversity management duration.

Questions were raised about the integration of Sustainable Urban Drainage Systems (SUDS) in the LNRS. Areas were identified where floodplain connectivity and habitat improvements could mitigate flood risk. Although specific SUDS locations were not mapped, the LNRS supported urban rain gardens and other drainage systems to increase percolation and reduce surface water flooding. The team coordinated with the flood team to integrate LNRS priorities into the flood risk management strategy, emphasising the benefits of SUDS and natural flood management for reducing flood risk and enhancing biodiversity. The LNRS team was willing to review and include more actions related to SUDS and flood management, ensuring alignment with LNRS goals.

Members discussed turning the LNRS into reality, highlighting the need for senior sponsorship and cross-team collaboration within the Council. Emphasis was placed on strong influence at appropriate levels and ensuring budget support for LNRS priorities. Integrating the LNRS into local planning and capital delivery was crucial for

enhancing biodiversity and reducing flooding. The Leader stated that the Future Oxfordshire Partnership would collaborate significantly with district councils to advance the LNRS.

Members questioned how the success of the strategy would be measured and what the key indicators of the LNRS would be. The LNRS team would monitor habitat work locations and report on the actions taking, creating a spatial map of improvements and funding sources. Successes were to be measured by reducing the number of at-risk species and enhancing biodiversity, with particular emphasis on the list of priority species at risk within Oxfordshire. The team would also assess trust and engagement from stakeholders, including landowners and local communities, gathering feedback through events and meetings to ensure the strategy aligned with their needs.

The Committee resolved to **AGREE** recommendations to Cabinet under the following headings:

- That the Council should seek advice from the Director of Environmental Sustainability at National Highways. It was suggested that he could be a valuable contact for advancing the LNRS goals related to infrastructure for wildlife movement.
- Make explicit the implications and actions for districts, parishes, and other key partners within an annex to the document.
- Include or align the LNRS strategy with central government's five missions and their outputs.
- Ensure the Council sets an example in biodiversity net gain, particularly in relation to the Thames Path.
- Promote biodiversity in school grounds by working with schools.
- Explore the possibilities of supporting flood defences through biodiversity means, including swales, sustainable drainage systems, and rain gardens.
- Strengthen the explanations of the benefits of biodiversity net gain around physical and mental health.
- Publicise biodiversity successes through press releases, such as otter and beaver numbers.
- Investigate the cost of piling grass cuttings to enhance wildflower growth.
- Ensure alignment of the LNRS with climate finance and natural capital work, including reaching out to relevant experts and integrating with the 100 Together initiative.
- Ensure alignment with the Local Transport Connectivity Plan and the Oxfordshire Infrastructure Strategy on the nature costs of roads and cars.

- Develop a delivery plan to ensure that teams within the County Council have integrated and adopted the LNRS.

The Committee made the following observations concerning the LNRS report:

- Need for stronger integration with local transport plans and other infrastructure strategies.
- Importance of engaging hesitant farmers through demonstration of benefits by early adopters.
- Consideration for the reintroduction of beavers as a flagship project.

43/24 INFRASTRUCTURE FUNDING STATEMENT AND S.106 FUNDING REPORT

(Agenda No. 6)

Cllr Judy Roberts, Cabinet Member for Infrastructure and Development Strategy, Paul Fermer, Director of Environment and Highways, and Robin Rogers, Director of Economy and Place, and Nicholas Perrins, Head of Strategic Planning, were invited to present a report on the Infrastructure Funding Statement and s.106 Funding.

Cllr Liz Leffman, Leader of the Council, and, Cllr Pete Sudbury, Deputy Leader of the Council with Responsibility for Climate Change, Environment and Future Generations, were also present to answer questions Committee Members had on the report.

Tom Hudson, Scrutiny Manager, clarified that a representative from Finance had been requested, however apologies were sent by Finance due to the short notice of the request.

The Chair summarised the historical context before the Cabinet Member for Infrastructure and Development Strategy explained that the Infrastructure Funding Statement (IFS) was a statutory document required to report the collection and spending of infrastructure funds, including Section 106 (s.106) and Community Infrastructure Levy (CIL). The statement showed effective fund collection with significant receipts, and ongoing efforts were aimed at improving the management and spending of these funds. The predicted spend for the upcoming year was around £60 million, mainly on large projects like the A420 improvements. The complexity and inflexibility of the Section 106 system, due to its reliance on legal contracts, was acknowledged, highlighting the need for improvements.

The Head of Strategic Planning highlighted the urgency to speed up s.106 project delivery for community benefits. Diagnostic work had reviewed the £260 million fund, prioritising smaller projects for early release. Current system issues for fund management were identified, with improvements targeted by year-end. A dashboard trailed in locality meetings provided live data, with plans for wider use. Services were reviewing s.106 funds to fast-track capital program projects, and transport has identified about £10 million for acceleration. Flexible new agreements allowed for alternative projects, to allow a more flexible use of money. Additionally, CIL

governance changes had been proposed to align with the County Council's strategic priorities and capital programme. These changes were aimed at ensuring CIL funds were directed towards projects that supported the broader strategic goals of the Council, with West Oxfordshire and Cherwell expected to adopt CIL within a year.

Members requested an update on the progress of the promised dashboard, which would have allowed them to track projects, including timelines and funding sources for individual projects. Although the dashboard had been demonstrated at locality meetings, it had not yet been released for general use.

The delay in releasing the dashboard was primarily due to finalising a Microsoft license agreement. This issue was being addressed with urgency, aiming to resolve it as soon as possible. The objective was to have the dashboard operational by the end of the financial year, although there was a strong desire to expedite this process.

Members expressed significant concerns regarding IT failures as a major obstacle in managing s.106 funds and their utilisation in physical projects. Officers present attempted to elucidate the existing IT systems employed for handling these funds and identified their shortcomings.

The Council used three main systems to manage s.106 funds and projects: MasterGov (for planning obligations), PPM (for project management), and SAP (for finance). These systems did not communicate effectively with one another, leading to delays and inefficiencies. Owing to this lack of integration, there was a dependency on manual processes, such as using spreadsheets to transfer data between systems. This manual intervention was time-consuming and susceptible to errors.

There was an acknowledged need to enhance the integration of these systems. A solution involved creating a data warehouse system that extracted data from underlying systems to offer a comprehensive, real-time view of funds and projects. Concerns were raised about the Council's capacity to develop appropriate systems to handle s.106 funds and projects, particularly questioning whether the in-house IT staff possess the requisite skills and capacity to implement the necessary changes.

The discussion underscored that the IT system challenges were not exclusive to s.106 but were indicative of broader systemic issues within the Council. There was a pressing need for a comprehensive IT strategy to resolve widespread issues across various departments.

Concerns were raised about s.106 funds being unspent and potentially returned to developers due to project delays and system inefficiencies. Members were surprised that only £12,000 had been returned and expressed worries about how much of the s.106 money was at risk of being returned unused in the next year.

Additionally, Members feared that the money from s.106 agreements may not cover project costs because of time delays and inflation. For instance, a project initially estimated at £90,000 rose to £150,000 over time, showing the impact of these factors on costs.

Members asked if the concept of front funding projects, using Council money to start projects and then recovering the funds from s.106 contributions, had been considered. Officers confirmed that this idea had been discussed as part of broader discussions on project funding methods. The main concern with front funding projects was the need for high levels of coordination and integration between departments and systems to ensure proper initiation of projects and accurate tracking of funds.

The Deputy Leader left the meeting at this stage.

Members expressed a desire for more flexible s.106 agreements to enable more efficient and effective allocation of funds. It was anticipated that increased flexibility will expedite the process.

While striving for flexibility, it was crucial that all new agreements operated within the necessary legal parameters. This approach aimed to avoid the rigidity of older agreements, which often specify projects too narrowly and made adaptation to changing circumstances or needs difficult. The implementation of these more flexible agreements was part of ongoing efforts to enhance the efficiency and effectiveness of s.106 fund utilisation.

Members highlighted concerns, within the report, regarding the absence of transparent governance for s.106 funds. It was noted that while there had been progress on the governance of CIL, the governance structure for s.106 funds were not well-defined with uncertainty around the oversight and management of the funds.

The dashboard, once fully implemented, was expected to help with member oversight by providing live data on s.106 funds, allowing members to see the status of funds and projects in their areas. The dashboard was intended to create clear lines of oversight for projects and the allocated funding. However, the dashboard had not yet available at the time of the meeting.

The responsibility for overseeing s.106 money did involve multiple departments. The planning obligations team managed the initial collection and recording of funds, while the delivery teams were responsible for implementing the projects. There was agreement for a need for better integration and communication between these teams to ensure efficient use of funds.

It was also acknowledged that going forward the governance of s.106 funds was to be aligned with the County Council's strategic priorities and capital programme to ensure that funds were used effectively for projects that align with broader strategic goals.

The Committee resolved to **AGREE** recommendations to Cabinet under the following headings:

- Investigate using contractors and outside IT architects to create a suitable solution, which did not rely on three unintegrated pieces of software.
 - Addressing IT system issues was highlighted as a critical area, with a focus on ensuring that different systems (MasterGov, PPM, SAP) were integrated.

- Investigate tools such as ‘Backcasting’ to improve the planning and execution of significant projects and funds.
- Clarification over the responsibility for spending s.106 money to ensure accountability and effective utilisation of funds.
- Undertaking the use of the Local Government s.106 self-assessment tool to evaluate and improve current practices.
- Investigate the arguments outlined in The Planning Fallacy and implement measures to avoid related delays in project delivery.
- Clarity around the release of the dashboard to ensure that members have access to live data and can monitor the progress of s.106 funds and projects.
- Implementing a risk rating for existing money not being spent in time to identify and address potential issues proactively.

The Committee also **AGREED** to the following actions:

- Progress updates to come to each Place Overview and Scrutiny meeting on s.106 spend and the IT systems.

The Committee made the following observations concerning the IFS and s.106 funding report:

- The IT systems of the Council were inadequate to the needs of the Council, especially in relation to s.106 funds.
- General dissatisfaction with the report due to the number of typos and financial miscalculations. This made it challenging for members to scrutinise the report effectively
- Members noted the absence of representatives from IT or finance who could explain the report and answer questions. This absence was particularly problematic given the technical and financial issues discussed.

44/24 COMMITTEE ACTION AND RECOMMENDATION TRACKER (Agenda No. 7)

The Committee **NOTED** the action and recommendation tracker.

45/24 COMMITTEE FORWARD WORK PLAN (Agenda No. 8)

Cllr Liz Leffman, Leader of the Council, was present for the discussion of the Committee Forward Work Plan to provide insight into the Dark Skies policy, which had been scheduled for Cabinet Member Delegated Decisions the following day, and other items which affected the committee.

The Leader made assurances to the Committee that there would follow a full report into the Dark Skies item, which would come to the Place Overview and Scrutiny Committee, to be suitably scrutinised before any decision would be made on the policy. It was expected that the Dark Skies item would come to the Committee for its February meeting.

The Leader suggested that the Rail strategy would come to Cabinet in April, thus the Committee determined that the strategy would be best suited to come to the February meeting.

The verge a vegetation strategy was moved to the April meeting to make room for the Management of Utility Works/Lane Rental on the February agenda, avoiding the pre-election period allowing for a focused discussion on the item.

Subject to these amendments the Committee **AGREED** to the Committee Forward Work Plan.

46/24 RESPONSES TO SCRUTINY RECOMMENDATIONS
(Agenda No. 9)

The Committee **NOTED** the Cabinet responses to the reports on the Circular Economy Strategy and the Infrastructure Funding Statement and s.106 Fund.

The Committee also **NOTED** that these responses were in draft, expected to be confirmed by Cabinet on 19 November 2024.

..... in the Chair

Date of signing